

**MERCANTILE BANK CORPORATION**

	CPP Disbursement Date 05/15/2009	RSSD (Holding Company) 2608763	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2011 \$ millions	2012 \$ millions	%chg from prev		
Assets	\$1,428	\$1,415	-0.9%		
Loans	\$1,072	\$1,041	-2.9%		
Construction & development	\$81	\$65	-20.0%		
Closed-end 1-4 family residential	\$58	\$52	-10.9%		
Home equity	\$36	\$32	-9.9%		
Credit card	\$0	\$0	-18.1%		
Other consumer	\$2	\$2	0.6%		
Commercial & Industrial	\$237	\$258	8.8%		
Commercial real estate	\$597	\$581	-2.7%		
Unused commitments	\$238	\$324	36.1%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$35	\$22	-36.4%		
Asset-backed securities	\$0	\$0			
Other securities	\$138	\$116	-15.9%		
Cash & balances due	\$22	\$31	41.2%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$19	\$21	13.4%		
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$21	\$26	22.9%		
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$1,235	\$1,242	0.6%		
Deposits	\$1,113	\$1,136	2.1%		
Total other borrowings	\$118	\$100	-15.1%		
FHLB advances	\$45	\$35	-22.2%		
Equity					
Equity capital at quarter end	\$193	\$173	-10.2%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	11.5%	11.4%	--		
Tier 1 risk based capital ratio	14.1%	13.5%	--		
Total risk based capital ratio	15.4%	14.7%	--		
Return on equity <sup>1</sup>	63.2%	7.7%	--		
Return on assets <sup>1</sup>	7.8%	0.9%	--		
Net interest margin <sup>1</sup>	3.9%	3.8%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	81.1%	151.2%	--		
Loss provision to net charge-offs (qtr)	40.3%	-48.8%	--		
Net charge-offs to average loans and leases <sup>1</sup>	1.7%	-0.2%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2011	2012	2011	2012	
Construction & development	4.9%	3.5%	0.0%	0.1%	--
Closed-end 1-4 family residential	6.3%	5.8%	1.5%	0.1%	--
Home equity	6.5%	4.1%	0.9%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.7%	0.0%	0.0%	0.7%	--
Commercial & Industrial	1.3%	0.3%	0.0%	0.2%	--
Commercial real estate	5.3%	2.0%	0.7%	0.2%	--
Total loans	4.2%	1.8%	0.5%	0.1%	--